2022 Annual Report

Blanco County Appraisal District

615 N Nugent Ave.

Johnson City, TX 78636

830-868-4013

www.blancocad.com

Blanco County Appraisal District

November 2022

Thank you for taking time to view our 2022 Annual Report. This report is designed to provide to the taxpayers that we serve, a year-to-year comparison of the data that the Appraisal District is responsible for. It will also make available to the public, the results of the performance evaluations and property value studies that have been conducted by the Texas Comptroller Property Tax Assistance Division.

The Blanco County Appraisal District strives to discover, list and appraise your property in the most fair and uniform method that is possible and as accurately as possible. We sincerely hope that this report will help our taxpayers to gain insight into the daily operations of our office. Our staff has many responsibilities, and we take each and every one of them very seriously. We are here to serve the taxpayers of Blanco County to the best of our ability. We will strive to be courteous, efficient, and professional in our day-to-day operations.

We look forward to being able to continue serving and assisting the taxpayers of Blanco County in the future.

Sincerely,

Candice Fry
Chief Appraiser

The Blanco County Appraisal District Mission

The Texas Property Tax Code outlined in §23.01 and other statutory requirements complying with generally accepted appraisal standards, procedures, and methodology in §5.102 govern the practices of the Blanco County Appraisal District. These requirements ensure equal and uniform taxation while adhering to the highest standards in appraisal practices and law. At BCAD we strive provide quality service to the public and the taxing entities that we serve. We work to develop quality employees and keep up with the newest technology trends to increase workflow, while adhering to ethical standards and professionalism. We will work together with taxpayers to provide greater access to services while reducing costs to the taxing units that we serve.

The Blanco County Appraisal District has a responsibility to safeguard taxpayer dollars by eliminating waste and providing efficient and honest government.

General Information

Blanco County Appraisal District was created effective January 1, 1980, as a political subdivision of the state of Texas. The appraisal district board of directors hires the chief appraiser, sets the budget, and appoints appraisal review board members. These directors do not have authority to set the values on property located within the district. The chief appraiser is hired to perform this function as well as hiring of staff, legal duties, administrative duties, and operation of the appraisal district. The board of directors of the Blanco County Appraisal District is made up of five members. These directors are appointed by the eligible taxing units as specified in §6.03 of the Texas Property Tax Code.

BCAD Board Members

Lynn Boyd (Chairman)
David Behrends
Janice Fox
Shelton Coleman
Lanny Counts

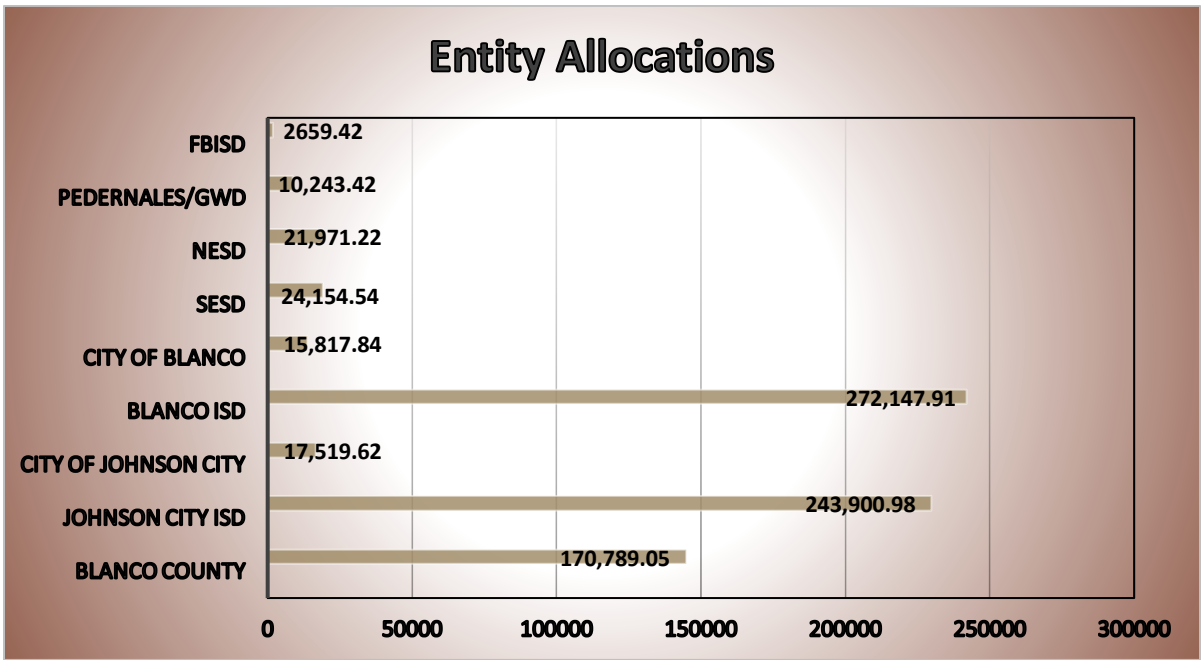
Entities Served

Fredericksburg ISD
Blanco Pedernales Groundwater District
North Blanco ESD #1
South Blanco ESD #2
City of Blanco
Blanco ISD
City of Johnson City
Johnson City ISD
Blanco County

Appraisal District Funding Breakdown

The Blanco County Appraisal District appraises property for parcels located within the boundaries of Blanco County. The district serves 8 taxing jurisdictions. Exhibit A shows the prorated allocation of funding for the Blanco County Appraisal District based on the 2022 budget amount of $779,204 broken down by entity. The largest three contributors to the 2022 budget are Blanco ISD, Johnson City ISD and Blanco County respectively.

Exhibit A:



Market Value by State Category

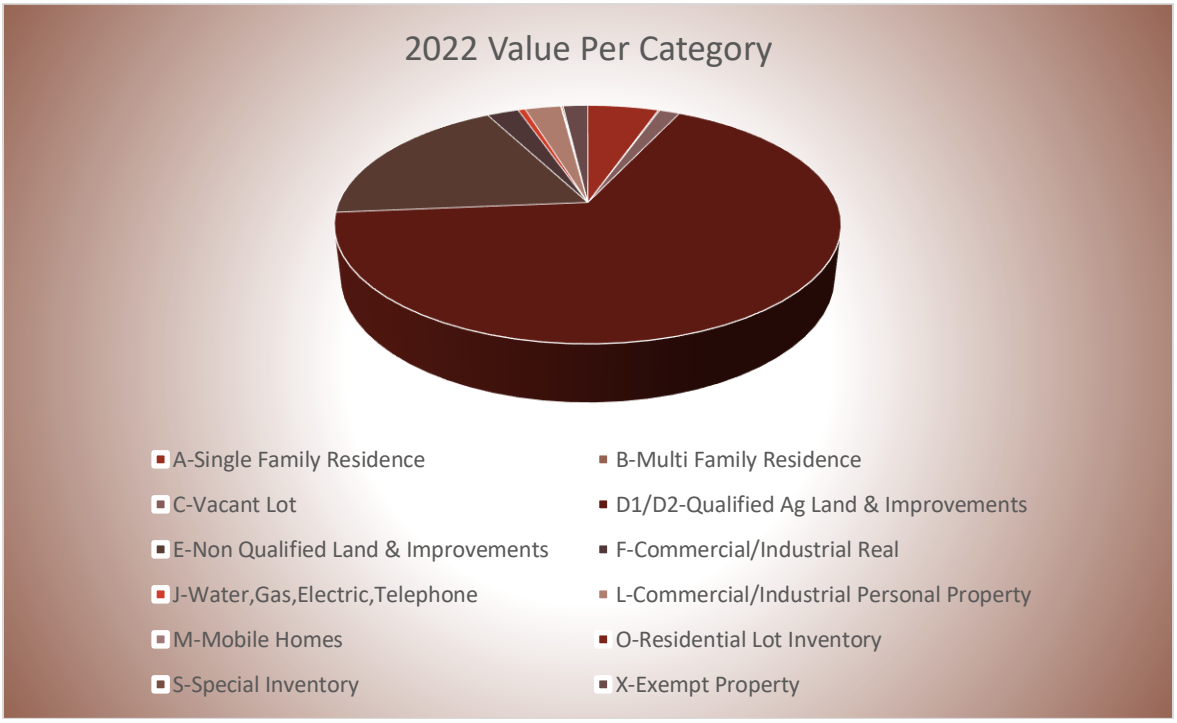
Appraisals carried out by Blanco County Appraisal District are an estimate of market value as of January 1st of each taxing year as defined by §1.04 of the Texas Property Tax Code on all property located within the boundary of BCAD. These estimates of value are used to provide each taxing entity with a certified appraisal roll for ad valorem taxation and establish a base for the tax levies that these entities will assess. For the 2022 appraisal year, the Blanco County Appraisal District provided mass appraisals for just over 17,000 parcels. The 2022 market value for these properties totaled $9,614,434,609 an 27.5% increase over the 2021 value overall. Exhibit B will show the value breakdown per state category for these properties for 2022.

Definition of Market Value

The pricing at which property would transfer for cash or its equivalent under prevailing market conditions if:

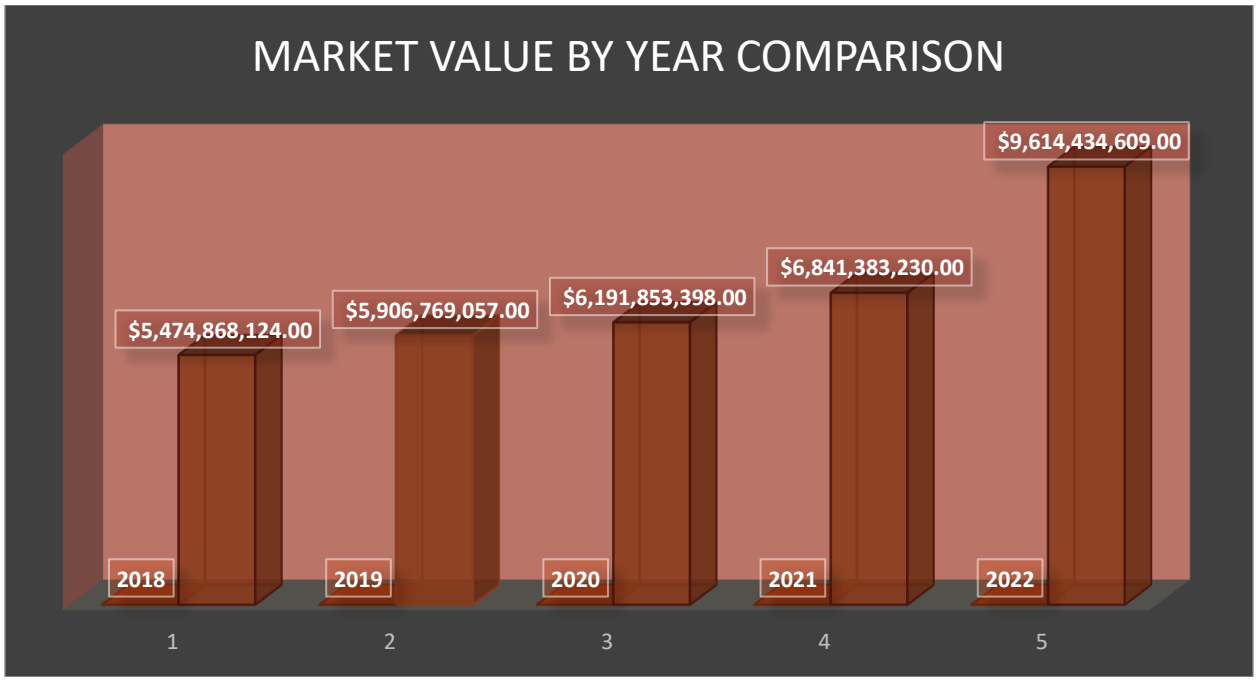
a. Exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
b. Both the seller and the purchaser know of all of the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
c. Both the seller and the purchaser seek to maximize their gains, and neither is in a position to take advantage of the exigencies of the other.

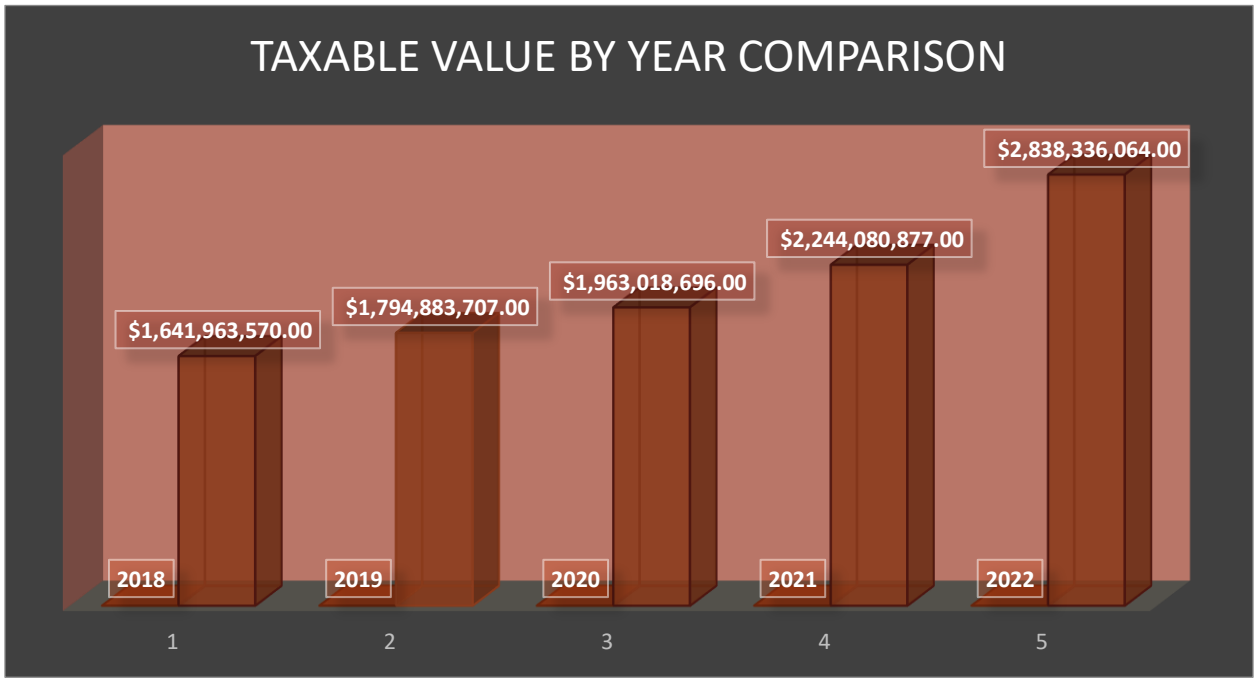
Exhibit B:



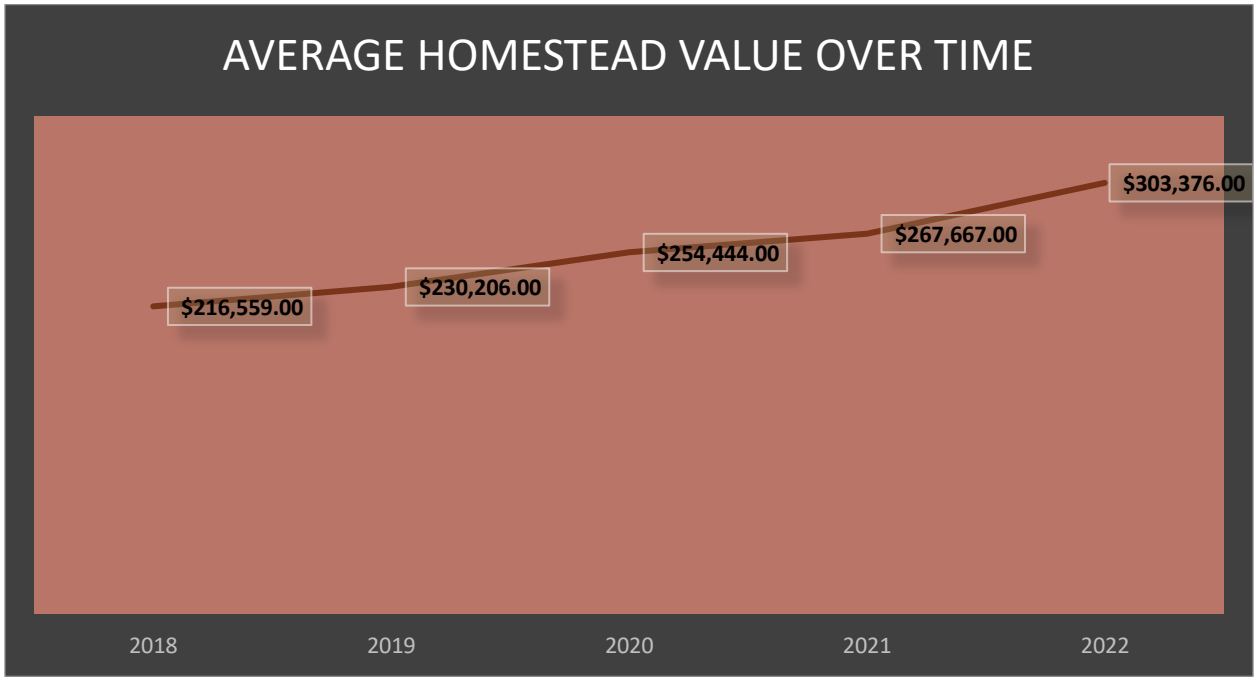
State Category	Market Value	Taxable Value	Number of Accounts
A-Single Family Residence	588,716,630	515,725,810	1875
B-Multi Family Residence	9,493,539	9,481,539	27
C-Vacant Lot	196,339,067	195,734,199	2178
D1/D2-Qualified Ag Land & Improvements	6,477,320,811	75,825,687	8458
E-Non Qualified Land & Improvements	1,640,747,578	1,525,911,723	6130
F-Commercial/Industrial Real	262,157,262	262,157,262	549
J-Water,Gas,Electric,Telephone	38,120,090	38,120,090	81
L-Commercial/Industrial Personal Property	199,216,610	199,216,610	716
M-Mobile Homes	5,753,630	5,616,951	168
O-Residential Lot Inventory	7,558,410	7,558,410	215
S-Special Inventory	314,120	314,120	4
X-Exempt Property	185,940,612	0	405
Totals	**9,614,434,609**	**2,838,336,064**	

Overall, the major property use in the Blanco County Appraisal District continues to be qualified ag land. The County is seeing increases in subdivision development which will lead to a shift in the trend in the future to more non-qualified ag land, vacant lots and residential properties.


MARKET VALUE BY YEAR COMPARISON
$5,474,868,124.00
$5,906,769,057.00
$6,191,853,398.00
$6,841,383,230.00
$9,614,434,609.00
2018
2019
2020
2021
2022
1
2
3
4
5


TAXABLE VALUE BY YEAR COMPARISON
$1,641,963,570.00
$1,794,883,707.00
$1,963,018,696.00
$2,244,080,877.00
$2,838,336,064.00
2018
2019
2020
2021
2022
1
2
3
4
5

Category A & E Average Homestead Value

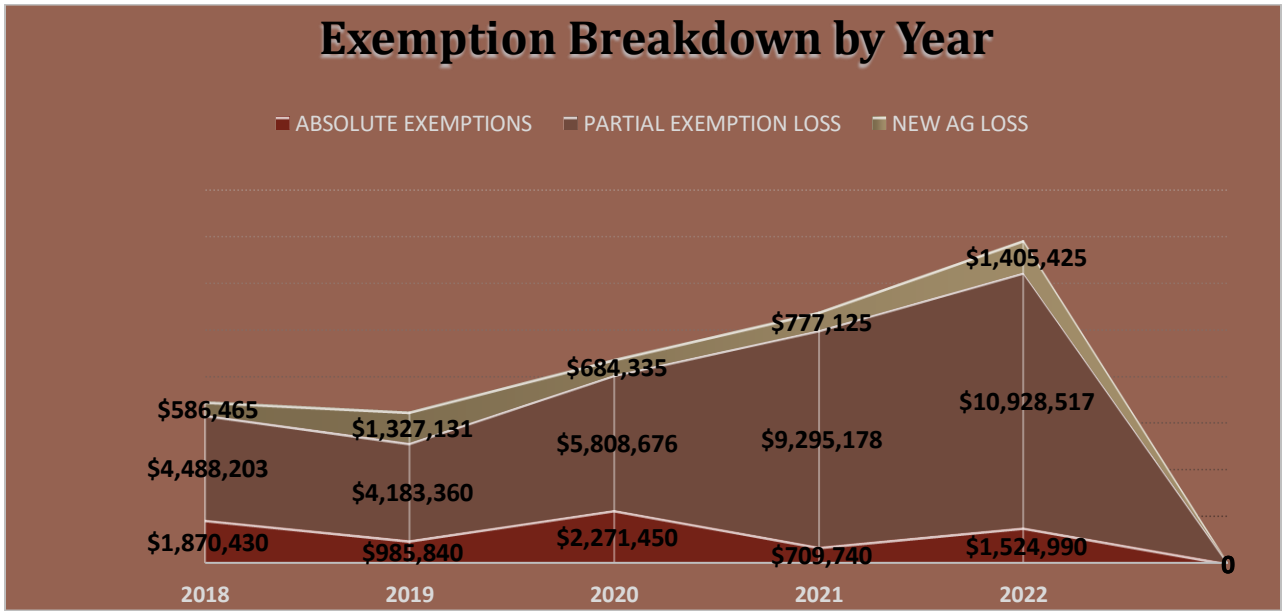


New Construction/New Improvement Data

The new improvement values come from various category types. These include residential, multifamily, manufactured homes, real commercial, real industrial and industrial business personal property. New market value includes mostly new structures to the land. From a workflow standpoint, if there was a structure not on the appraisal roll the previous year, when the new structure is added, it is coded as new to assist with the new value calculations. The table below indicates the increases in the latest six- year period. As can be seen, the new improvement values are rising significantly year to year and are anticipated to continue this trend with new subdivisions and wineries being built each year.

Exemption Data

The population of Blanco County has increased to 11,478 as of the 2020 census This is an increase of 13.8% compared with a national average of 8.0%. Due to these statistics and the increased availability of exemption types, Blanco County can anticipate an increasing number and value of exemptions in the future. Many of these can be attributed to new legislation and inclusion of certain groups in the exemption criteria. Some of these are Surviving Spouses of Disabled Veterans and First Responders and a notable increase in 100% Disabled Veterans. These exemptions and special valuations can be seen in the chart below. They are displayed as value lost to the taxing entities.



The district has various exemptions that taxpayers may qualify for. Two of these are the homestead and over 65 residential exemptions. You may only apply for residence homestead exemption on one property in a tax year. A homestead may include up to 20 acres of land you use in the residential use (occupancy) of your home. To qualify for a homestead exemption, you must own and reside in your home on January 1 of the tax year. The age 65 or older or disability exemption for school taxes includes a school tax limitation or ceiling. Some taxing units such as county and cities have exemptions and tax ceilings limits. The filing of this application is between January 1 and April 30. You may file a late homestead exemption if you file it no later than two years after the date taxes become delinquent. There is also a Transfer of Tax Limitation or Ceiling Certificate for school taxes if you move out of the county; this can transfer to the new school district that you reside in.

EXEMPTION DATA		
ENTITY	HOMESTEAD	OVER 65 OR DISABLED
BLANCO COUNTY	5,000	5,000
BLANCO ISD	40,000	10,000
JOHNSON CITY ISD	40,000	10,000
CITY OF BLANCO	0	23,000
CITY OF JOHNSON CITY	0	Ceiling
DISABLED VETERANS	AMOUNT	PERCENTAGE
DV1	5,000	10-29%
DV2	7,500	30-49%
DV3	10,000	50-69%
DV4	12,000	70-100%
DVHS	Totally Exempt	100%

2022 Tax Rate Information

2021 TAX RATES FOR BLANCO COUNTY	
Blanco County	.34171
Blanco ISD	.9796
City of Blanco	.3577
South Blanco Co Emergency Service District #2	0.1000
Johnson City ISD	1.0485
City of Johnson City	.3569
North Blanco Co Emergency Service District # 1	.1000
Blanco/Pedernales Groundwater Conservation District	.020127
COMBINATION RATES	
Blanco in the City	1.799137
Blanco out of the City	1.441437
Johnson City in the City	1.867237
Johnson City out of the City	1.510337

External Reviews-M.A.P.S & P.V.S.-State Comptroller of Public Accounts

Blanco County Appraisal District is audited every other year by the State Comptroller's Property Tax Assistance Division (PTAD). These reviews are based on Section 5.10 and 5.102 of the Property Tax Code. These audits are done in an alternating review cycle. In even numbered years Blanco CAD undergoes the Methods & Assistance Program (MAP) review and in odd numbered years there is a Property Value Study (PVS) performed.

The MAP review analyzes different areas of the appraisal district. Governance, taxpayer assistance, and the appraisal standards, operating procedures and the methodology used by the appraisal district are looked at. The PVS determined the degree of uniformity and median level of appraised value ratios for certain state categories for each appraisal district. This study also impacts each school district in regards to state school funding. The most recent results of each type of study are listed below.

MAP Results

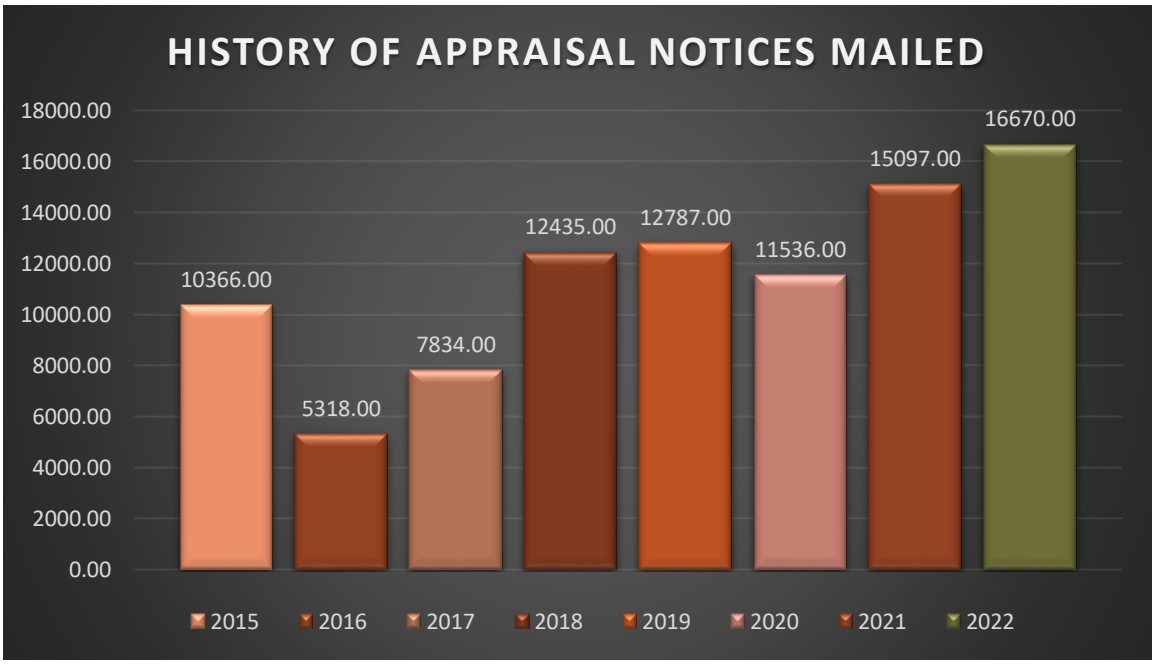
	2020	2022
Governance	Meets All	Meets All
Taxpayer Assistance	Meets All	Meets All
Operating Procedures	Meets All	Meets All
Appraisal Standards, Procedures and Methodology	Meets All	Meets All

PVS Results

	2019	2021
Median Level of Appraisal	1.01	1.00
Coefficient of Dispersion	12.96	10.24

Appeals Data

For the January 1, 2022, appraisal date, the Blanco County Appraisal District mailed 15,097 notices of appraised value which account for approximately 89% of the appraisal roll. These notices were mailed April 15, 2022 and property owners and authorized agents had until May 15, 2022 to file a valid appeal. Business Personal Property notices were mailed on May 23, 2022 with a protest deadline of June 23rd. The Appraisal Review Board began hearings on May 25, 2022, and finished on July 20, 2022, with the ARB approving the records and the Chief Appraiser certifying the roll on July 20, 2022. There were a total of 1459 protests filed with 413 of those cases going before the Appraisal Review Board and 253 cases where property owners did not show up for the hearing. The rest of the cases were either settled or withdrawn prior to their hearing date and time.



Legislative Changes

2021 found us with the 87th legislative session. There were not a lot of bills that affected appraisal districts in the first session, but several special sessions were called and there were some new laws passed. These bills that were passed during the most recent session can be found at https://comptroller.texas.gov/taxes/property-tax/docs/96-669.pdf and in the appendix to this report.

Moving Forward to 2023

Values increased substantially in 2022 and more protests were filed in Blanco County than had ever been filed before. There has been a very active market throughout 2022, but we have started seeing the real estate market cool down some. Sales prices have not started coming down, but the volume of sales has slowed considerably. Field appraisers are busier than ever measuring new construction, but as interest rates continue to rise, new permits will continue to slow. Blanco CAD will continue to do our best to analyze all available sources of information to establish values that are fair and accurate to taxpayers and taxing entities alike.

APPENDIX

Bills Related to Property Taxation Passed by the 87th Texas Legislature in Regular Session
Provided by **LOW SWINNEY EVANS & JAMES, PLLC**

Comprehensive, Multi-Subject

HB 988 Rep. Hugh Shine Relating to ad valorem taxation
Sen. Kelly Hancock (see LSEJ section-by-section analysis)
Signed by the Governor on June 15, 2021, Effective immediately

SB 63 Sen. Jane Nelson Relating to the property tax appraisal system, including an entitlement to a tax
Rep. Morgan Meyer exemption based on the appraised value of certain renewable energy devices.
(see LSEJ section-by-section analysis)
Signed by the Governor on June 14, 2021, Effective on September 1, 2021

Appraisal Office Administration

HB 1118 Rep. Giovanni Capriglione Relating to state agency and local government compliance with cybersecurity training requirements

Chapters 772 and Sections 2054 and 2056, Government Code, are amended. At least once annually, a local government (includes appraisal districts) is required to identify employees and elected/appointed officials who have access to the entity's computer system or data base and use a computer to perform at least 25% of the person's required duties. These employees and officials must complete a certified cybersecurity training program. Failure to comply will prevent the employee or official from having access to the computer system or data base. Training compliance must be reported on a specific form. Certain exceptions exist for military leave, FMLA, or other specified extended leave. The effective date is immediate (signed by the Governor on May 18, 2021).

HB 1476 Rep. Keith Bell Relating to a vendor's remedies for nonpayment of a contract with this state of a political subdivision of this state

Section 2251.042, Government Code, is amended. A governmental entity (includes appraisal districts) shall notify a vendor of an error or disputed amount in an invoice submitted for payment by the vendor not later than the 21st day after the entity receives the invoice. The notice shall specify the amount of the invoice that is disputed. The governmental entity may withhold from payment no more than 110% of the disputed amount. The effective date is September 1, 2021 (signed by the Governor on June 7, 2021).

HB 1560 Rep. Craig Goldman Relating to the continuation and functions of the Texas Department of Licensing and Regulation (see amendments to Section 1151, Occupations Code only)

This is the legislation that continues the Texas Department of Licensing and Regulation (TDLR) after review by the Texas Sunset Commission. Of importance to appraisal districts are the changes to Section 1151.1581, Occupations Code, dealing with continuing education. The Comptroller of Public Accounts is given full authority for approving these programs. The effective date is immediate (signed by the Governor on June 15, 2021).

HB 2581 Rep. Kyle Kacal Relating to civil works projects and other projects of governmental entities

Section 2269, Government Code, is amended. Governmental entities (includes appraisal districts) must follow evaluation requirements for bids on certain projects (constructing, altering, or repairing a public building). Documentation about the selection process must be made available to an offeror on request. Not later than the 30th day after the request is made, the entity shall deliver the documents relating to the evaluation of the submission including, if applicable, its ranking of the submission. Not later than the 7th business day after the contract is awarded, the entity shall make the evaluations, including any scores, public and provide them to all offerors. The effective date is September 1, 2021 (signed by the Governor on June 15, 2021).

SB 58 Sen. Judith Zaffirini Relating to purchasing of cloud computing services by a political subdivision

Section 271.003(8), Local Government Code, is amended to add cloud computing services to the definition of personal property for purposes of contracting by local governmental entities (includes appraisal districts). The new law is effective immediately (signed by the Governor on June 3, 2021).

SB 916 Sen. Kel Seliger Relating to certain information regarding appraisal district noncompliance and property values in the Texas Department of Licensing and Regulation records of a professional property tax appraiser serving as chief appraiser

Chapter 1151, Occupations Code, is amended to add a section that requires the Texas Department of Licensing and Regulation (TDLR) to include electronic links to the findings of the Comptroller of Public Accounts concerning the biennial reviews of the appraisal districts where the chief appraisers served, as well as the results of the property value studies, for registrants who are chief appraisers. An appraisal district may request information concerning a registered professional appraiser whom the board of directors is considering for appointment as chief appraiser. Rules must be adopted by TDLR to implement this provision. The effective date is September 1, 2021 (signed by the Governor on June 14, 2021).

Appraisal Issues

HB 1090 Rep. Ernest Bailes Relating to the appraisal for ad valorem tax purposes of real property that was erroneously omitted from an appraisal roll in a previous year

Section 25.21(a), Tax Code, is amended to reduce the number of years from five to three that omitted real property may be added to the appraisal rolls. Omitted personal property may be added as of January 1 of each of the two preceding tax years. The effective date is September 1, 2021 (signed by the Governor on June 9, 2021).

HB 1475 Rep. John Cyrier Relating to municipal board of adjustment zoning variances based on unnecessary hardship

Section 211.009, Local Government Code, is amended to provide specific direction to municipal boards of adjustment regarding zoning and building code compliance. They are permitted to consider the financial costs of compliance, encroachment on adjacent property, and other factors. The effective date is September 1, 2021 (signed by the Governor on June 7, 2021).

HB 1939 Rep. Reggie Smith Relating to the limitation periods for certain suits against real estate appraisers and appraisal firms

Chapter 16, Civil Practices and Remedies Code, is amended to add Section 16.013 to authorize a lawsuit for damages or other relief arising from an appraisal or appraisal review conducted by a real estate appraiser or appraisal firm, as defined by Chapter 1103, Occupations Code. The suit must be brought not later than the earlier of two years after the day the person knew or should have known the facts upon which the action is based or five years after the day the appraisal or appraisal review was completed. The effective date is September 1, 2021 (signed by the Governor on June 7, 2021). NOTE: This provision deals with fee appraisers, not registered professional appraisers who are employed by appraisal districts.

HB 2535 Rep. Scott Sanford Relating to the appraisal for ad valorem tax purposes of real property that includes certain improvements used for the noncommercial production of food for personal consumption

Section 23.014, Tax Code, is amended to exclude from the value of real property chicken coops or rabbit pens used for the non-commercial production of food for personal consumption. The effective date is January 1, 2022 (signed by the Governor on June 15, 2021).

HB 3514 Rep. Terry Canales Relating to the functions of the Texas Department of Motor Vehicles; authorizing a penalty

Amendments to various codes (mainly the Transportation Code) are included in the bill. Chapter 2301, Occupations Code, is amended to add Section 2301.612 to provide that information filed with the Texas Department of Motor

Vehicles (TDMV) is not a public record and not subject to disclosure under the Public Information Act until a complaint is resolved in a final order of the Department. Section 23.121, Tax Code, is amended to address motor vehicle inventory filings with appraisal districts. Chief appraisers are authorized (not required) to report dealers who fail to file declarations to initiate cancellation of the dealer's general distinguishing number. The chief appraiser must include written verification that the chief appraiser informed the dealer of the requirement to file a declaration under this provision of the Tax Code. If a dealer reports the sale of fewer than five motor vehicles in the prior year, the chief appraiser shall report the dealer to the TDMV to initiate cancellation of the general distinguishing number and include a copy of the declaration indicating that the number of sales was fewer than five. This report from the chief appraiser is prima facie ground for cancellation or for refusal by the TDMV to renew the dealer's general distinguishing number. The effective date is September 1, 2021 (signed by the Governor on June 4, 2021).

HB 3833 Rep. Phil King Relating to the appraisal of certain real property for ad valorem tax purposes

Section 23.215, Tax Code, is amended. This section deals with the appraisal of non-exempt property used for low-income or moderate-income housing. It clarifies that property is eligible if it is owned by an organization for the purpose of renting to low-income or moderate-income individuals or families and the land is subject to a use restriction agreement. For property under construction or property that has not reached stabilized occupancy on January 1 of the tax year, the chief appraiser shall value the property using projected income and expenses for the first full year of operations as outlined in the underwriting report prepared by the Texas Department of Housing and Community Affairs and adjusted according to actual occupancy on January 1. After construction is complete and occupancy has stabilized, the property shall be appraised according to Section 11.1825(q). The effective date is January 1, 2022. Section 23.55 (open-space land), Section 23.58 (loan secured open-space land), Section 23.76 (timber land), Section 23.86 (recreational, park, or scenic land), Section 23.96 (public access airport), and Section 23.9807 (restricted use timber land), Tax Code, are amended to delete interest on the penalty assessed as a rollback for a change of use of the land. Interest remains if the tax becomes delinquent. The provisions apply only to a change of use that occurs on or after the effective date (immediate). The bill was signed by the Governor on June 15, 2021.

HB 3971 Rep. Morgan Meyer Relating to the appraisal for ad valorem tax purposes of residential real property located in a designated historic district

Section 23.013, Tax Code, amended to add subsection (e) to require that the chief appraiser consider the effect on value created by restrictions on the owner's ability to alter, improve, or repair his/her residential real property located in a designated historic district (defined as an area that is zoned or otherwise designated as a historic district under municipal, state, or federal law). The effective date is January 1, 2022 (signed by the Governor on June 18, 2021).

HJR 125 Rep. Jake Elizey Proposing a constitutional amendment to allow the surviving spouse of a person who is disabled to receive a limitation on the school district ad valorem taxes on the spouse's residence homestead if the spouse is 55 years of age or older at the time of the person's death

Article VIII, Section 1-b(d), Texas Constitution, is amended to allow the surviving spouse (if at least 55 years of age) of a disabled person to receive the limitation on school taxes. If the constitutional change is approved, tax assessor-collectors for schools are required to calculate the taxes for the 2020 and 2021 tax years according to the limitation and refund taxes to eligible surviving spouses. The proposal was filed with the Secretary of State on May 18, 2021.

SB 113 Sen. Royce West Relating to community land trusts

Section 373B.003, Local Government Code, is amended to expand the types of entities that can hold land in a community land trust. They are: (1) nonprofit corporations exempt from federal income tax; (2) limited partnerships for which a nonprofit corporation controls 100% of the general partner interest; or (3) limited liability companies for which a nonprofit corporation serves as the only member.

Section 23.21, Tax Code, is amended to require the use of the income method of appraisal for land leased to a community land trust and for housing units leased by community land trusts to families meeting income-eligibility standards. The chief appraiser shall use the method regardless of whether he/she considers that method to be the most appropriate method. The chief appraiser shall consider the uses and limitations on the property and apply the same capitalization rate used to appraise other rent-restricted properties. For properties acquired from community land trusts, the appraised value may not exceed the price for which the housing unit may be sold under land use restrictions (agreements, deed restrictions, or restrictive covenants that are recorded, have terms of at least 40 years, restricts sales prices, and restricts sales to families meeting income-eligibility standards established by Section

373B.006, Local Government Code). Section 26.10, Tax Code, is amended to allow an exemption to continue for the rest of the tax year after eligibility of the community land trust ends under certain circumstances. The effective date of these amendments is September 1, 2021. The new law applies only to taxes imposed for a tax year that begins thereafter. The bill was filed with no signature on June 18, 2021.

SB 725 Sen. Charles Schwertner Relating to the qualification of land for appraisal for ad valorem tax purposes as agricultural land and the liability for the additional tax imposed on such land if the use of the land changes as a result of a condemnation

Section 23.46, Tax Code, dealing with the appraisal of agricultural land, is amended to add language that states that land is not diverted to nonagricultural use for purposes of determining a change of use because a portion is subject to a right-of-way that is less than 200 feet wide and was taken by condemnation if the remainder of the land qualifies for special appraisal. If additional taxes are due because land has been diverted due to condemnation, the taxes and interest are the personal obligation of the condemning entity and not the property owner. These provisions apply to changes of use and tax years after September 1, 2021 (signed by the Governor on May 18, 2021).

SB 1088 Sen. Brandon Creighton Relating to the duty of the chief appraiser of an appraisal district to provide certain information

Section 11.50 is added to the Tax Code. It allows a chief appraiser to request from another appraisal district a list of the names of all individuals who currently receive residence homestead exemptions. No confidentiality provisions apply to the disclosure to a chief appraiser. The effective date is September 1, 2021. Section 41.413, Tax Code, is amended to require owners of real property to send to a lessee of the real property (who is required to pay taxes for the property) a copy of the notice of appraised value. The new law does not apply to personal property owners and lessees. The new law applies to a notice of appraised value received by an owner after the effective date of September 1, 2021. The bill was signed by the Governor on June 14, 2021.

SB 1245 Sen. Charles Perry Relating to the farm and ranch survey conducted by the comptroller for purposes of estimating the productivity value of qualified open-space land as part of the study of school district taxable values

Section 403.3022 is added to the Government Code to require the Comptroller of Public Accounts to conduct an annual farm and ranch survey to estimate the productivity value of qualified open-space land as part of the biennial value study for school districts. Instructional guides are required. Annually, the Comptroller must conduct an online or in-person session open to the public about how to complete the survey and solicit comments from the public and the property tax administration advisory board concerning the survey. Not later than January 1, 2022, the Comptroller shall prepare and issue the instructional guide. The new law is effective on September 1, 2021 (signed by the Governor on June 7, 2021).

SB 1315 Sen. Eddie Lucio Relating to the determination that certain property is used as an aid or facility incidental to or useful in the operation or development of a port or waterway or in aid of navigation-related commerce for purposes of the application of certain ad valorem tax laws

Section 25.07, Tax Code, is amended to add subsection (d) to provide an exclusion from listing certain leased property in the appraisal records. Property that is used as an aid or facility incidental or useful in the operation of a port or waterway is excluded. The property (1) must be leased to a person engaged in the business of navigation-related commerce or specific purposes found in sections of the Water Code; (2) be located adjacent to a federal navigation project or in a foreign trade zone; or (3) include part of a rail facility that serves the users of the port or waterway. “Navigation-related commerce” is defined. The new law applies only to the taxation of property for a tax year beginning on or after September 1, 2021 (signed by the Governor on June 16, 2021).

SB 1421 Sen. Paul Bettencourt Relating to the correction of an ad valorem tax appraisal roll and to related appraisal records

Section 25.25, Tax Code, is amended to allow for motions by a property owner or chief appraiser to correct appraisal rolls for two preceding tax years due to an error or omission in a rendition statement or property report filed under Chapter 22. No change may be made if the property owner failed to render timely and was assessed a penalty; the property was protested under Chapter 41 and a determination was made; the property was the subject of a previous motion on which action was taken; or the appraised value of the property was established by written agreement. The effective date is September 1, 2021. Section 41.413, Tax Code, is amended to require owners of real property to send to a lessee of the real property (who is required to pay taxes for the property) a copy of the notice of appraised

value. The new law does not apply to personal property owners and lessees. The new law applies to a notice of appraised value received by an owner after the effective date of September 1, 2021. The bill was signed by the Governor on June 14, 2021.

SB 1585 Sen. Bryan Hughes Relating to requirements for the designation of a property as a historic landmark and the inclusion of a property in a historic district by a municipality

Section 211.0165, Local Government Code, is amended to prohibit cities from including property within the boundaries of a historic district unless: (1) the owner of the property consents; or (2) if the owner does not consent, the inclusion of the property in the district is approved by a ¾ vote of the city council and the zoning/planning/historical commission of the city, if any. If a city has more than one commission, the city shall designate one as the entity with exclusive authority to approve the designations of property as local historic landmarks and the inclusion of property in a local historic district. Property owned by a religious organization may also be included in a historic district. This provision applies to a proposal to include property in a historic district or to designate a property as a local historic landmark made on or after September 1, 2021 (signed by the Governor on June 7, 2021).

SB 1679 Sen. Carol Alvarado Relating to the creation of an urban land bank by certain municipalities

Chapter 379H is added to the Local Government Code. A land bank is created for a municipality with a population of 2,000,000 or more. The land bank is a governmental unit, as well as a public nonprofit corporation (and therefore exempt from property taxation). The land bank is specifically not a housing finance corporation or a program created under Chapters 373 and 374. The land bank is required to comply with the Open Meetings Act and the Public Information Act. The purpose of the land bank is to acquire, manage, and dispose of vacant, abandoned, deteriorated, non-revenue generating, and non-tax producing properties and convert them to productive uses. Those uses include housing, food desert solutions, parks, recreational facilities, and infrastructure development. Provisions are included concerning the collection of taxes conveyed to the land bank and operational funding. The Houston Land Bank is authorized to continue its operations. The effective date is September 1, 2021 (filed with no signature on June 16, 2021).

Appraisal Review Boards and Binding Arbitration

HB 2941 Rep. DeWayne Burns Relating to the appointment of appraisal review board members

Section 6.41, Tax Code, is amended to require that appraisal review boards in all counties be appointed by the local administrative district judge in the county in which the appraisal district is established. Taxpayer liaison officers are responsible for providing clerical assistance to the judges concerning the selection process (amendment to Section 6.052(f), Tax Code). Restrictions for appraisal review board membership are continued for counties with populations of 120,000 or more (Section 6.412(d), Tax Code). All appraisal districts are authorized to provide criminal history information to the administrative district judge under Section 411.1296(c), Government Code. These changes apply to appraisal review board member terms beginning on January 1, 2022. The new law does not affect the term of a member serving on December 31, 2021, if the member was appointed before that date to a term beginning before December 31, 2021, and expiring December 31, 2022. The bill was signed by the Governor on June 7, 2021.

HB 3788 Rep. Justin Holland Relating to the training and education of appraisal review board members

Section 5.041, Tax Code, is amended to authorize distance training and education of appraisal review board members by the Comptroller of Public Accounts. The Comptroller is authorized to adopt rules to implement this section, including rules establishing criteria for course availability and for demonstrating course completion. The effective date is January 1, 2022 (signed by the Governor on June 4, 2021).

SB 1854 Sen. Beverly Powell Relating to an appeal through binding arbitration of an appraisal review board order determining a protest concerning a residence homestead for which the property owner has elected to defer the collection of ad valorem taxes

Section 41A.10, Tax Code, is amended to clarify that an eligible property owner is not delinquent in paying property taxes on his/her residence homestead if the taxes are deferred under Section 33.06 or 33.065, Tax Code. This amendment deals with the eligibility of a property owner to request binding arbitration administered by the Comptroller of Public Accounts. The new law applies to requests for binding arbitration filed on or after September 1, 2021 (signed by the Governor on June 18, 2021).

SB 1919 Sen. Eddie Lucio Relating to the authority of a property owner to participate by videoconference at a protest hearing by certain appraisal review boards

Section 41.45, Tax Code, is amended to authorize the use of videoconferences of appraisal review board hearings, in the same manner as telephone conferences are conducted, if requested by a property owner. An appraisal review board must provide an Internet location or URL address to the property owner. An appraisal review board is not required to conduct a hearing by videoconference if the board is established for a county with a population of less than 100,000 and lacks the technological capability to conduct a video conference. These provisions only apply to a protest under Chapter 41, Tax Code, for a notice of protest filed on or after September 1, 2021 (signed by the Governor on June 18, 2021).

Exemptions

HB 115 Rep. Eddie Rodriguez Relating to the exemption from ad valorem taxation of certain property owned by a charitable organization and used in providing housing and related services to certain homeless individuals

Section 11.18(p), Tax Code, is amended to change eligibility requirements for exemptions of property used to house certain homeless persons. The property must be owned by a charitable organization that has been in existence for at least (1) 20 years in a county with a population for between one million and less than 1.5 million, or (2) two years if located in a city with a population of more than 100,000 and less than 150,000, at least part of which is located in a county with a population of less than 5,000. The property must be at least 15 acres in size and was owned by the organization on July 1, 2021, or acquired by donation and owned by the organization on January 1, 2023. The property must be used to provide permanent housing for homeless persons. The effective date is January 1, 2022 (signed by the Governor on June 15, 2021).

HB 368 Rep. Carl Sherman Relating to the issuance of a driver's license to a state legislator or prosecutor that includes an alternative to the license holder's residence address

Section 521.1211, Transportation Code, is amended to include prosecutors (county attorneys, district attorneys, criminal district attorneys, assistant county attorneys, assistant district attorneys, and assistant criminal district attorneys) with peace officers for purposes of permitting alternative addresses on driver's licenses. The Texas Department of Public Safety shall accept as an alternative address for a peace officer an address that is in the municipality or county of the peace officer's residence or the county of the peace officer's place of employment. The Department shall accept as an alternative address for a prosecutor, the address of the office of the prosecutor. Section 63.0101, Election Code, is amended to provide that proof of identification is presented only for the purpose of identifying a voter and not for verification of residence. The effective date is September 1, 2021 (signed by the Governor on June 18, 2021).

HB 1197 Rep. Will Metcalf Relating to the period for which certain land owned by a religious organization for the purpose of expanding a place of religious worship or constructing a new place of religious worship may be exempted from ad valorem taxation

Section 11.20(j), Tax Code, is amended to extend the time for which land that is contiguous to a religious organization's place of regular worship may be exempt from six to ten years. The effective date is January 1, 2022 (signed by the Governor on June 3, 2021).

HB 3610 Rep. Gervin-Hawkins Relating to the applicability of certain laws to certain public schools and certain requirements of a charter school that receives certain tax exemptions

Section 12.1058(a), Education Code, is amended to add to the definition of open-enrollment charter school that it is a political subdivision for purposes of (1) the property tax exemption under Section 11.11, Tax Code, and (2) purchasing, leasing, constructing, renovating, or improving any property with state funds (Section 12.128, Education Code) as provided by Section 16.061, Civil Practices and Remedies Code. Section 12.128(a) and (a-1), Education Code, are amended to state that property purchased or leased with funds received by a charter holder is exempt from property taxation as public property under Section 11.11, Tax Code. Subsection (a-2) is added to state that the owner of property that receives a tax exemption shall transfer the amount of tax savings from the exemption to the tenant or

reduce the common area maintenance fee in a proportionate amount based upon the square footage of the exempt portion.

Section 11.211 is added to the Tax Code. It provides that the portion of real property that is leased to an independent school district, community college district, or open-enrollment charter school is qualified and exempt from taxation pursuant to Sections 11.11 and 11.21, Tax Code, if the portion of the real property that is leased to the public school is (1) used exclusively by the public school for the operation or administration of the school or the performance of other educational functions of the school; and (2) reasonably necessary for a purpose described in (1) as found by the school's governing body. The change in law applies to taxes imposed in a tax year that begins on or after the effective date (September 1, 2021). The bill was filed without signature on June 18, 2021.

SB 611 Sen. Donna Campbell Relating to an exemption from ad valorem taxation of the residence homestead of the
(See SJR 35) surviving spouse of a member of the armed services of the United States who is killed or fatally injured in the line of duty and to late applications for exemptions from such taxation for disabled members

Section 11.133(b), Tax Code, is amended to add language that surviving spouses of members of the armed services who are killed or fatally injured in the line of duty are entitled to an exemption from taxation of the total appraised value of his/her residence homestead if the surviving spouse has not remarried since the death of the member of the armed services. The effective date is January 1, 2022, if the constitutional amendment is approved. Section 11.431(a), and Section 11.439(a), Tax Code, are amended to require the chief appraiser to accept residence homestead exemption applications from persons eligible under Section 11.131 or 11.132 (disabled veterans, but not their surviving spouses) after the deadline, if they are filed not later than five years after delinquency. The effective date is January 1, 2022 (signed by the Governor on June 14, 2021).

SB 794 Sen. Donna Campbell Relating to eligibility for the exemption from ad valorem taxation of the residence homestead of a totally disabled veteran

Section 11.131(b), Tax Code, is amended to allow a disabled veteran who has been awarded (rather than received) 100% disability compensation to be eligible for a total residence homestead exemption. The effective date is January 1, 2022 (signed by the Governor on June 16, 2021).

SB 1427 Sen. Paul Bettencourt Relating to the applicability of the temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster

Section 11.35, Tax Code, is amended to clarify that property qualifying for a partial exemption due to a disaster declared by the governor is only property that has physical damage. The bill provides that the amendment is a clarification of existing law and does not imply that existing law may be construed as inconsistent with this amendment. The effective date is immediate (signed by the Governor on June 16, 2021).

SB 1449 Sen. Paul Bettencourt Relating to the exemption from ad valorem taxation of income-producing tangible personal property having a value of less than a certain amount

Section 11.145, Tax Code, is amended to increase the exemption for tangible personal property held for the production of income if the property has a taxable value of less than $2,500 (rather than $500). The effective date is January 1, 2022 (signed by the Governor on June 7, 2021).

SJR 35 Sen. Donna Campbell Proposing a constitutional amendment authorizing the legislature to provide for an
(See SB 611) exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a member of the armed services of the United States who is killed or fatally injured in the line of duty

Article VIII, Section 1-b(m), Texas Constitution, is amended to expand the residence homestead exemption for the surviving spouse of a member of the armed services who is killed or fatally injured in the line of duty (rather than "in action"). The proposal was filed with the Secretary of State on May 25, 2021.

Public Information and Records

HB 1082 Rep. Phil King Relating to the availability of personal information of an elected public officer

Section 552.117(a), Government Code, is amended to expand the protection of home addresses, telephone numbers, emergency contact information, and social security numbers from disclosure under the Public Information Act to all elected public officers (rather than just state officers, legislators, and persons elected statewide). Section 25.025(a), Tax Code, is amended to include all elected public officers in the list of persons for which information may not be disclosed in appraisal records (rather than just state officers, legislators, and persons elected statewide). The effective date is immediate (signed by the Governor on May 19, 2021).

HB 1154 Rep. Jacey Jetton Relating to the requirements for meetings held and Internet websites developed by certain special purpose districts

Section 403.0241, Government Code, is amended to address reporting by special purposes districts to the Comptroller of Public Accounts if the district does not maintain an Internet website. Section 551.1283, Government Code, is also amended to address posting of website links to ensure compliance. Section 2051.201 and Section 2051.202, Government Code, are amended to address information that is required on websites of local governments with authority to impose ad valorem taxes (referred to as "special purpose districts"). These entities must post certain financial and operating information, including bonds outstanding, gross receipts from various sources exceeding $250,000, or cash and temporary investments exceeding $250,000. Contact information is required for certain individuals related to the districts. Notices of hearings and meetings are required to be posted, as well as minutes of public meetings and the most recent financial audit for the district. Sections 49.062 and 49.0631, Water Code, are amended to address "rural area districts" and how they conduct meetings and provide notice of board meetings. The effective date is September 1, 2021 (signed by the Governor on June 15, 2021).

HB 1493 Rep. Abel Herrero Relating to the use of an entity name that falsely implies governmental affiliation

Chapter 150C is added to the Civil Practices and Remedies Code. The chapter applies to "governmental units," which includes all political subdivisions (includes appraisal districts). A governmental unit is entitled to enjoin another person's use of an entity name that falsely implies governmental affiliation with the governmental unit. Injunctive relief is permitted. Awards of attorney's fees and court costs are authorized. Sections 5.064 and 5.065 are added to the Business Organizations Code. Businesses are prohibited from filing names that falsely imply governmental affiliation. The Secretary of State is required to adopt rules to implement these provisions and is authorized to determine whether a business name falsely implies affiliation on the written request of a governmental entity specifying the basis of the claim. The Attorney General is authorized to bring an action in the name of the State for injunctive relief to require compliance with the law. The effective date is September 1, 2021 (signed by the Governor on June 15, 2021).

HB 2723 Rep. Morgan Meyer Relating to public notices of the availability on the Internet of property-tax-related information

Section 44.004(c), Education Code, is amended to require that notices of meetings to discuss budget and proposed tax rate adoption by a school district include: "Visit Texas.gov/Property Taxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information, about proposed tax rates and scheduled public hearings of each entity that taxes your property."

Section 25.19, Tax Code, is amended to require the following language on notices of appraised value: "Beginning August 7th, visit Texas.gov/Property Taxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information regarding the amount of taxes that each entity that taxes your property will impose if the entity adopts its proposed tax rate. Your local property tax database will be updated regularly during August and September as local elected officials propose and adopt the property tax rates that will determine how much you pay in property taxes."

Section 26.04(e-2), Tax Code, is amended to change the notice of estimated taxes that must be delivered to all property owners to include the following statement: "Visit Texas.gov/Property Taxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information regarding the amount of taxes that each entity that taxes your property will impose if the entity adopts its proposed tax rate. Your local property tax database will be updated regularly during August and September as local elected officials propose and adopt the property tax rates that will determine how much you pay in property taxes."

Section 26.052 and Section 26.06, Tax Code, are amended to require public notice as follows: “Visit Texas.gov/Property Taxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.”

Section 26.175 is added to the Tax Code. It establishes a property tax database website (Texas.gov/Property Taxes) developed and maintained by the Texas Department of Information Resources (DIR). It will provide a separate link to the Internet location of each property tax database that must be created and maintained by each chief appraiser (see Section 26.17, Tax Code).

Section 49.236, Water Code, is amended to require the following language on notices of public hearings for tax rates: “Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property tax(See SB 611)es, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.”

Not later than January 1, 2022, DIR shall develop the Internet website required by this new law. The change in law apply to notices required to be delivered on or after January 1, 2022. The Act was effective immediately (signed by the Governor on June 3, 2021).

HB 3786 Rep. Justin Holland Relating to the authority of the comptroller to send, or to require the submission to the comptroller of, certain ad valorem tax-related items electronically

Section 5.03, Tax Code, is amended by adding subsection (d) to authorize the Comptroller of Public Accounts to require documents, payments, notices, reports, or other items to be submitted or sent electronically. The Comptroller is authorized to adopt rules to administer this subsection. The effective date is September 1, 2021 (signed by the Governor on June 4, 2021).

SB 56 Sen. Judith Zaffirini Relating to the availability of personal information of a current or former federal prosecutor or public defender

Chapter 552, Government Code, is amended to exclude home addresses, telephone numbers, emergency contact information, or social security numbers from disclosure under the Public Information Act for current or former United States attorneys, assistant United States attorneys, federal public defenders, deputy federal public defenders, or assistant federal public defenders and their spouses and children. The effective date is immediate (signed by the Governor on June 14, 2021).

SB 334 Sen. Nathan Johnson Relating to disclosure under the public information law of certain records of an appraisal district

Section 552.149(b), Government Code, is amended to permit the disclosure of information that the chief appraiser used to appraise property, including comparable sales data, to a property owner or agent (on request) in a binding arbitration proceeding (as well as an appraisal review board hearing). Section 552.149(e), Tax Code, that prevented disclosure of sales data in counties with populations below 50,000, is repealed. The effective date is immediate (signed by the Governor on June 14, 2021).

SB 841 Sen. Bryan Hughes Relating to the availability of personal information of individuals who are honorably retired from certain law enforcement positions

Section 552.003, Government Code, and Section 25.025, Tax Code, are amended by adding a definition for “honorably retired” to mean a person who previously served but is not currently serving in the position; did not retire in lieu of a disciplinary action; was eligible to retire or ineligible only due an injury received in the course of employment; and is eligible to receive a pension or annuity for service. The term applies to peace officers and security officers as defined by the Code of Criminal Procedure or Education Code, as applicable. The home addresses, telephone numbers, emergency contact information, and social security numbers for these individuals are exempt from disclosure under the Public Information Act. Section 552.1175, Government Code, is amended is add “current or honorably retired” peace officers, county jailers, police officers, and inspectors of the United States Federal Protective Services to the list for which the section is applicable. Section 25.025(a), Tax Code, is amended to add “current or honorably retired” county jailers, police officers, and inspectors of the United States Federal Protective Services to the list of persons for which information may not be disclosed in appraisal records. The effective date is immediate (signed by the Governor on June 14, 2021).

SB 1134 Sen. Bryan Hughes Relating to address confidentiality on certain documents for certain federal officials and family members of certain federal officials or federal or state court judges

Section 13.0021, Election Code, is amended to add federal bankruptcy judges, United States marshals, and United States attorneys to the list of judges and the county registrar whose residence addresses are omitted from the voter registration list. They (as well as their family members defined as spouses, minor children, and adult children who reside in the person's home) are also included in the list of persons whose addresses are confidential (Section 13.004, Election Code). Section 15.0215 and Section 254.0313, Election Code, are amended to omit addresses for the same individuals and their family members. Section 411.179, Government Code, is amended to require that handgun licenses for the same individuals omit residence addresses. Section 552.117, Government Code, excepts from disclosure under the Public Information Act the home addresses, telephone numbers, emergency contact information, and social security numbers for the same individuals. Similar exclusions exist under Section 145.007 and Section 159.071, Local Government Code, dealing with municipal court judges and county attorneys, and Section 521.054 and Section 521.121, Transportation Code, dealing with drivers' licenses. Section 11.008, Property Code, is amended to add the same individuals to online databases maintained in property records in counties. Section 25.025(a), Tax Code, is amended to add the same individuals to the list of persons for which information may not be disclosed in appraisal records. The effective date of all sections is September 1, 2021 (signed by the Governor on June 7, 2021).

SB 1225 Sen. Joan Huffman Relating to the authority of a governmental body impacted by a catastrophe to temporarily suspend the requirements of the public information law

Section 552.233, Government Code, is amended to include in the definition of "catastrophe" the following: " 'Catastrophe' does not mean a period when staff is required to work remotely and can access information responsive to an application for information electronically, but the physical office of the governmental body is closed." A governmental body may suspend the requirements of the Public Information Act only once for each catastrophe. The exception applies if the governmental body is significantly impacted such that the catastrophe directly causes the inability of a governmental body to comply with the Act. The total suspension period for a governmental body may not exceed a total of 14 consecutive calendar days with respect to any single catastrophe. If a governmental body closes its physical offices, but requires staff to work, including remotely, then the governmental body shall make a good faith effort to continue responding to applications for public information, to the extent staff members have access to responsive information. Failure to respond to requests may constitute refusal to request an attorney general's decision or a refusal to supply information that the attorney general has determined is public. The effective date is September 1, 2021 (signed by the Governor on May 28, 2021).

SB 1257 Sen. Brian Birdwell Relating to the information required to be provided by the chief appraiser to the comptroller in connection with the comptroller's central registry of reinvestment zones designated and ad valorem tax abatement agreements executed under the Property Redevelopment and Tax Abatement Act

Section 312.005, Tax Code, is amended to require that the Comptroller of Public Accounts include in the central registry of reinvestment zones the information described by Section 312.205(a)(1) in connection with each tax abatement agreement (the kind, number, and location of all proposed improvements to the property). The effective date is September 1, 2021 (signed by the Governor on June 7, 2021).

<u>Tax Collection and Rates</u>

HB 295 Rep. Andrew Murr Relating to the provision of funding for indigent defense services

Section 79.037(a), Government Code, is amended to provide for services for indigent defense in counties. Section 26.0442(a), Tax Code, is amended to change the definition of "indigent defense compensation expenditures" for purposes of truth-in-taxation calculations. It means the difference between (1) the amount paid by a county in the period beginning on July 1 of the tax year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted (to include operations of the public defender's office) and (2) the amount of any state grants received by the county during that period for those purposes. The effective date of the bill is September 1, 2021 (signed by the Governor on June 14, 2021).

HB 533 Rep. Hugh Shine Relating to ad valorem tax sales of personalproperty seize under a tax warrant

Section 33.25, Tax Code, is amended to permit public on-line auctions of personal property seized for delinquent property taxes in all counties. The effective date is September 1, 2021 (signed by the Governor on May 19, 2021).

HB 1410 Rep. Jim Murphy Relating to the issuance of bonds by certain conservation and reclamation districts

Section 49.4645, Water Code, adds subsection (a-1) to provide for bonding authority for specific conservation and reclamation district to finance parks and recreational facilities (excluding indoor or outdoor swimming pools or golf courses). The outstanding principal amount of bonds, notes, and other obligations may not exceed an amount equal to 1% but not exceed 3% of the value of the taxable property in the district or, if supported by contract taxes, the value of the taxable property in the districts making payments under the contract (with certain restrictions related to debt ratio and credit rating). Section 54.016(e), Water Code, is amended to change the restrictions for bond issuance that may be imposed by a city on a water district. This change does not affect the terms of a city's resolution or ordinance adopted before the effective date of the new law. The effective date is September 1, 2021 (filed with no signature on June 14, 2021).

HB 1428 Rep. Dan Huberty Relating to procurement by a political subdivision of a contingent fee contract for legal services

Section 2254.102, Government Code, is amended to exclude from review by the Attorney General contracts for legal services entered by political subdivisions for the collection of an obligation that is delinquent or for certain services. For purposes of this provision, an obligation does not include a fine or penalty that results from an action by a political subdivision under Chapter 7, Water Code. The effective date is September 1, 2021 (signed by the Governor on May 15, 2021).

HB 1564 Rep. Mary Gonzalez Relating to the appointment of a receivership for and disposition of certain platted lots that are abandoned, unoccupied, and undeveloped in certain counties

Chapter 232 is added to the Local Government Code to deal with abandoned, unoccupied, and undeveloped platted lots in counties with populations of more than 800,000 which are adjacent to an international border and contains more than 30,000 acres of lots that have remained substantially undeveloped for more than 25 years after the date the lots were platted. The county commissioners court may implement an expedited process to administratively determine that a platted lot is abandoned, unoccupied, and underdeveloped under certain conditions. The county does not have ownership interest in any lot (except for other legal interests under other provisions of law). Notices and public hearings are required. Judicial appeal is authorized. Once a lot is determined to be abandoned, unoccupied, and undeveloped, the county shall bring a civil action to have the lot placed in receivership. The appointed receiver is an officer of the court and has specific responsibilities and powers. The lots may be sold according to procedures outlined in the new law. If the procedures are followed and the property sells, the sale price is conclusive as to the fair market value of the property at the time of sale. The effective date is September 1, 2021 (filed without signature on June 18, 2021).

HB 1869 Rep. Dustin Burrows Relating to the definition of debt for the purposes of calculating certain ad valorem tax rates of a taxing unit

Section 26.012, Tax Code, is amended to change the definition of "debt" for purposes of tax rate calculations. It means a bond, warrant, certificate of obligation, or other evidence of indebtedness owed by a taxing unit that is payable from property taxes for a period of over one year and meets one of the following requirements: (1) has been approved at an election; (2) includes self-supporting debt; (3) evidences a loan under a state or federal financial assistance program; (4) is issued for designated infrastructure; (5) is a refunding bond; (6) is issued in response to an emergency; (7) is issued for renovating, improving or equipping existing buildings or facilities; (8) is issued for vehicles or equipment; or (9) is issued for a project under certain provisions related to reinvestment zones. "Debt" also means a payment made under a contract to secure indebtedness issued by another political subdivision on behalf of the taxing unit. "Designated infrastructure" is defined as a facility, equipment, rights-of-way, or land for one of seven purposes. "Refunding bond" and "self-supporting debt" are defined. The changes in law apply only to a bond, warrant, certificate of obligation, or other evidence of indebtedness for which the ordinance, order, or resolution

authorizing the issuance is adopted by the governing body of the taxing unit on or after the effective date of September 1, 2021 (signed by the Governor on June 15, 2021).

HB 1900 Rep. Craig Goldman Relating to municipalities and counties that adopt budgets that defund law enforcement agencies

Chapter 109 is added to the Local Government Code to provide for "defunding determinations" for municipalities that reduce budgets for police departments. Chapter 43 is also amended to allow portions of a municipality to deannex if determinations of defunding exist. Sections 26.0444 and 26.0501 are added to the Tax Code to provide for adjustments in tax rate calculations for defunding municipalities. These adjustments would limit tax rate increases. Part of the provisions apply to the 2021 tax year rate calculations. Other changes are included in the bill. The effective date is September 1, 2021 (signed by the Governor on June 1, 2021).

HB 2429 Rep. Morgan Meyer Relating to the alternate provisions for ad valorem tax rate notices when the de minimis rate of a taxing unit exceeds the voter-approval tax rate

Section 26.063, Tax Code, is amended to add subsection (d) to change the notice used by a taxing unit that is not required to hold an election under Section 26.07 and for which no petition for an election can be made under Section 26.075. The notice shall add to the end of the list of rates included in the notice: "de minimis rate--$ _____ per $100." The definition of "voter-approval tax rate" is changed and additional and substitute language is required. The effective date is September 1, 2021 (signed by the Governor on May 15, 2021).

HB 3115 Rep. Hugh Shine Relating to the release of a judgment lien on homestead property

Section 52.0012 of the Property Code is amended to require a certificate of mailing by a judgment debtor indicating notice to a judgment creditor concerning a release of lien on a homestead property. The exact language of the certificate of mailing is prescribed in the statute. The effective date is immediate (signed by the Governor on June 16, 2021).

HB 3629 Rep. Greg Bonnen Relating to the date a deferral or abatement of the collection of ad valorem taxes on the residence homestead of an elderly or disabled person or disabled veteran expires

Section 33.06, Tax Code, is amended to require that a foreclosure sale for delinquent property taxes may not be held for property that was subject to a deferral until the 181st day after the date the collector for the taxing unit delivers a notice of delinquency of the taxes following the date the individual no longer owns and occupies the residence homestead. The same requirement is added when property is subject to an abatement of a pending delinquent tax suit. If an individual who qualifies for a deferral or abatement dies, the deferral or abatement continues in effect until the 181st day after the date the collector for the taxing unit delivers a notice of delinquency of the taxes following the date the surviving spouse of the individual no longer owns and occupies the property as a residence homestead under certain conditions. The effective date is September 1, 2021 (signed by the Governor on June 8, 2021).

HJR 99 Rep. Terry Canales Proposing a constitutional amendment authorizing a county to finance the development or redevelopment of unproductive, underdeveloped, or blighted areas in the county; authorizing the issuance of bonds and notes

Article VIII, Section 1-g(b), Texas Constitution, is amended to allow counties (along with municipalities) to issue bonds or notes for developing blighted areas and for transportation improvements under general law, except that the transportation bonds may not be pledged for repayment at an amount of more than 65% of the increase in property tax revenues annually or be used to finance construction, operation, maintenance, or acquisition of rights-of-way for toll roads. The proposal was filed with the Secretary of State on June 1, 2021.

SB 23 Sen. Joan Huffman Relating to an election to approve a reduction or reallocation of funding or resources for certain county law enforcement agencies

Chapter 120 is added to the Local Government Code to require an election to approve a budget reduction or reallocation of funding for county law enforcement. Certain exceptions are included in the bill, including one for disasters. The Comptroller of Public Accounts is responsible for making determinations of budget reductions or

reallocations. If a determination is made, a county may not adopt a tax rate that exceeds the county's no-new-revenue tax rate under a specific timeline.
The effective date is January 1, 2022 (signed by the Governor on June 1, 2021).

SB 604 Sen. Paul Bettencourt Relating to bonds issued by and the dissolution of municipal management districts

Chapter 375 of the Local Government Code is amended to allow municipal management districts to exist after a petition for dissolution is filed for the purpose of winding up district operations and discharging bonded indebtedness. This provision does not apply if the indebtedness is secured by a source other than assessments on the date the petition is filed with the district board. The effective date is September 1, 2021 (signed by the Governor on June 14, 2021).

SB 742 Sen. Brian Birdwell Relating to installment payments of ad valorem taxes on property in a disaster area or emergency area

Section 31.032, Tax Code, is amended and Section 31.033, Tax Code, is added to permit installment payments of property taxes in emergency areas. They are defined as areas designated by the governor to be affected by an emergency as defined by Section 433.001, Government Code (a riot or unlawful assembly of three or more persons acting together to use force or violence; if a clear and present danger of the use of violence exists; or a natural or man-made disaster). The new law applies only to real property that is owned or leased by a business entity with gross receipts under a certain amount; located in a disaster or emergency area; and has not been damaged as a direct result of the disaster or emergency. It also includes tangible personal property that is owned or leased by such a business. The installments can only be for taxes that are imposed on the property by a taxing before the first anniversary of the disaster or emergency. The governing body of the taxing unit may authorize the installment payments. The Comptroller of Public Accounts is required to adopt rules to implement these provisions. The effective date is immediate (signed by the Governor on June 7, 2021).

SB 1357 Sen. Bryan Hughes Relating to deadlines associated with proposing and adopting a budget for certain counties

Chapter 111 of the Local Government Code is amended to require that county budgets be prepared not later than August 15 of each year. The budget also must be filed with the county clerk by that date. The commissioners court is required to hold budget hearings not later than the 25th day after the day the budget is filed and before the county tax rate for the current tax year is adopted. Public notice of the budget hearing must be given not earlier than the 30th day before the date of the hearing and not later than the 10th day before the date of the hearing. The effective date is immediate (signed by the Governor on June 14, 2021).

SB 1438 Sen. Paul Bettencourt Relating to the effect of a disaster on the calculation of certain tax rates and the procedure for adoption of a tax rate by a taxing unit

Section 11.43(s), Tax Code, is amended to delete the requirement that applications for exemption under Section 11.35 must be filed not later than the 45th day after the date the governing body of the taxing unit adopts the exemption. The 105-day application deadline after the governor's declaration is retained for all exemptions under Section 11.35. Section 26.042 is added to the Tax Code to address the calculation and adoption of certain tax rates in a disaster area. Except for school districts and special taxing units, the governing body of a taxing unit may direct that the voter-approval tax rate be calculated as provided for special taxing units, if any part of the taxing unit is located in a disaster area declared by the Governor or the President of the United States in the current tax year and at least one person is granted an exemption under Section 11.35. The calculation may continue to be used for no more than three years. A formula for this "emergency revenue rate" is stated in the new law. Provisions for elections are included.

Certain Tax Code provisions are repealed: Sections 11.35(c), (d), and (e); Section 26.04(c-1); Section 26.041(c-1); and Section 26.08(a-1). The changes in law to Sections 11.35 and 11.43, Tax Code, apply only to taxes imposed for a tax year that begins on or after January 1, 2022. The effective date for other provisions is September 1, 2021. The Governor signed the bill on June 16, 2021.

SB 1764 Sen. Paul Bettencourt Relating to the payment of delinquent ad valorem taxes on property subject to a tax sale

Section 31.06, Tax Code, is amended to allow a tax collector to adopt a written policy that requires payment of delinquent taxes, penalties, interest, and costs and expenses recoverable under Section 33.48 only with United States currency, a cashier's check, a certified check, or an electronic funds transfer if the payment relates to seized personal property, property subject to an order of sale, or seized real property, under Chapter 33 of the Tax Code. The provisions are effective immediately (signed by the Governor on June 16, 2021).

School Finance

HB 1525 Rep. Dan Huberty Relating to the public school financing system

The bill makes changes to funding allotments, specifically for fast-growth school districts, and reinstates the gifted and talented allotment. The bill provides for grant programs and adds new administrative requirements. It includes many amendments to existing programs and practices to assist the Texas Education Agency to implement provisions of HB 3 from the last legislative session. The changes in law result in additional State funding to public education of $246 million in the 2022 fiscal year and $215 million in the 2023 fiscal year. Of importance to funding based on property taxation, the bill changes the law regarding tax compression to replace the Comptroller's Property Value Study (PVS) determinations of value with adjusted local taxable values. This change conforms to the practice currently used by the Texas Education Agency, since the PVS values are not available when tax compression determinations are made.

Other

HB 3607 Rep. Jeff Leach Relating to non-substantive additions to, revisions of, and corrections in enacted codes, to the non-substantive codification or disposition of various laws omitted form enacted codes, and to conforming codifications enacted by the 86th Legislature to other Acts of that legislature

Article 19 of the Act deals with changes related to the Tax Code. Three provisions concern property taxation. The numbering was corrected in Section 25.025(a). Section 26.08(n-1) was repealed. The reference to a section of the Education Code was added to Section 312.210(b).

Vetoed Bill

HB 1544 Rep. Ryan Guillen Relating to the eligibility of land to continue to be appraised for ad valorem tax purposes as qualified open-space land if the land is temporarily used for sand mining operations; authorizing a fee

Chapter 23, Tax Code, is amended by adding Section 23.527, and applies to a sand mining operation that overlies the Carrizo-Wilcox Aquifer and that is 30 miles of the boundary of a city with a population of more than 500,000 or one mile of a building in use as a single-family or multi-family residence. Such an operation is defined as an aggregate operation registered under the Water Code at which sand is removed or extracted. Eligibility of open-space land does not end because it ceases to be devoted principally to agricultural use if: (1) the owner intends that the use of the land be resumed; (2) the land is used for sand mining; and (3) the land is reclaimed according to standard best practices not later than the first anniversary of the date sand mining operations began on the land. The landowner must notify the appraisal district in writing not later than the 30th day after the date sand mining operations begin on the land. The Texas Commission on Environmental Quality is required to adopt standard best practices for land reclamation with specific statutory provisions listed in subsection (f). The executive director of TCEQ is required to send notice to the chief appraiser of the appraisal district where the land is located that the owner applied for a determination letter concerning reclamation and must issue a determination letter with a copy to the chief appraiser. An appeal process is provided at TCEQ. The chief appraiser is authorized to testify at the appeal. The chief appraiser is required to accept a final determination by the TCEQ as conclusive evidence that land was reclaimed according to the standard best practices in a timely manner. Eligibility of the land for open-space designation does not end because the land ceases to be devoted principally to agricultural use to the degree of intensity generally accepted in the area if: (1) the owner of the land provides the notice required in this new section not later than the 90th day after the effective date of this act; and (2) the chief appraiser has not made a determination that a change of use has occurred (as of the effect date of this act). The new law applies only to land on which sand mining operation began before a certain date.

The following summaries of HB 988 and Companion Senate Bill 449, and SB 63 and Companion House Bill 3509 were prepared by LSEJ Legislative Counsel Debbie Cartwright.

House Bill 988 (Rep. Hugh Shine—Temple)
Companion Senate Bill 449 (Sen. Kelly Hancock—North Richland Hills)

Summary of Substitute Bill for House Bill 988

Relating to ad valorem taxation; creating a criminal offense

Section 1. Amends Section 5.103(d) and adds (e), Tax Code

Appraisal review boards (ARB) are required to incorporate the Comptroller's model hearing procedures into their local procedures and may adopt supplemental procedures that do not conflict with the model. The Comptroller is required to review compliance as part of the Methods and Assistance Program.

Effective Date: Immediately or September 1, 2021

Section 2. Amends Section 5.104(l), Tax Code

The Comptroller's annual report must include a summary of comments, complaints, and suggestions provided by taxpayer liaison officers, as well as the results of the ARB procedures review, and the results of requests for binding arbitration for ARB procedural violations. The identities of persons who submitted comments, complaints, suggestions, or requests for binding arbitration may not be disclosed.

Effective Date: Immediately or September 1, 2021

Section 3. Amends Section 6.03(k) and adds (k-1), Tax Code

In counties with populations of 120,000 or more, a different procedure for counting votes for directors of appraisal districts is created. A taxing unit governing body entitled to cast at least 5% of the total votes must determine its vote by resolution at the first or second open meeting of the governing body after the date the chief appraiser delivers the ballot. The vote must be submitted to the chief appraiser not later than the third day following the date the resolution is adopted. [NOTE: This provision does not override the 3/4's rule in Section 6.031.]

Effective Date: This section applies only to the selection of members of the board of directors who are appointed for a term that begins on or after January 1, 2022.

Section 4. Amends Section 6.052(a), (b), and (c) and adds (g), Tax Code

Taxpayer liaison officers must compile a list of filed complaints and forward them (along with comments and suggestions) to the Comptroller not later than December 31 of each year.
The taxpayer liaison officer does not commit an offense if he/she communicates with the chief appraiser or another employee or agent of the appraisal district, a member of the ARB, an appraisal district director, a property tax consultant, a property owner or his/her agent, or another person if the communication is made in the good faith exercise of the officer's statutory duties.

Effective Date: Immediately or September 1, 2021

Section 5. Adds Section 6.155, Tax Code

A member of the governing body, officer, or employee of a taxing unit commits an offense (Class A misdemeanor) if he/she directly or indirectly communicates with the chief appraiser or another employee of the appraisal district in which the taxing unit participates for the purpose of influencing the value at which property in the district is appraised unless the person owns or leases the property that is the subject of the communication.

Effective Date: January 1, 2022

Section 6. Amends Section 11.252(d), Tax Code

The requirement that a motor vehicle lessee must certify under oath that he/she does not use the vehicle for income production in order to qualify for an exemption of the vehicle is amended to permit the Comptroller's form also to provide for an unsworn declaration.

Effective Date: January 1, 2022

Section 7. Adds Section 11.253(l) and (m), Tax Code

The governing body of a taxing unit located in a disaster area after January 1, 2020, is authorized to extend the date by which goods-in-transit must be transported to another location to 270 days after the date the property was acquired. The exemption applies only to the taxing unit adopting the extension and the tax year in which the extension is adopted. The new subsections expire on December 1, 2025.

Effective Date: This section applies to a tax year beginning on or after January 1, 2022.

Section 8. Amends Section 21.021(a) and (b), Tax Code

These provisions are amended to allow for a new appraisal methodology for special-purpose vessels or other watercraft under Section 21.031.

Effective Date: This section applies to a tax year beginning on or after January 1, 2022.

Section 9. Amends 21.031(b) and adds (b-1), (b-2), (b-3), and (i), Tax Code

A property owner that operates a fleet of vessels or other watercraft used as instrumentalities of commerce may elect in writing to have its property values allocated according to this subsection. The allocation is based on the number of miles that all vessels or other watercraft in the fleet are used in the state in the preceding year. The property owner may designate the location of the property owner's principal place of business as the taxable situs of the fleet. The definition of "special-purpose vessel or other watercraft not used as an instrumentality of commerce" is a vessel or other watercraft that is designed to be transient and customarily is moved from location to location on a more less regular basis; is economically employed when operated in a localized area or in a fixed place; and is not primarily employed to transport cargo, passengers, and equipment but rather to perform some specialized function or operation not requiring constant movement from point to point. The definition of "vessel or other watercraft used an instrumentality of commerce" is one that is primarily employed in the transportation of cargo, passengers, or equipment, and that is economically employed when it is moving from point to point as a means of transportation.

Effective Date: This section applies to a tax year beginning on or after January 1, 2022.

Section 10. Adds Section 25.02(c), (d), (e), (f), and (g), Tax Code

If an appraisal district changes an account number of an appraisal record, the district must notify the property owner and include the change in the next notice of appraised value. For accounts, other than those for residential property, improvement only accounts, or property on which taxes are delinquent, a written request may be made before January 1 of the tax year for which the request is made by the property owner to (1) combine contiguous parcels or tracts of real property into a single account, or (2) separate identifiable segments of the owner's parcel or tract of real property into individual appraisal records. The request must contain a legal description as contained in a deed sufficient to describe the property subject to the request. A property owner may protest a chief appraiser's refusal to comply with the request under Section 25.25 or Chapter 41.

Subsection (g) provides: "The combination of contiguous parcels or tracts of real property into a single appraisal record or the separation of identifiable segments of a parcel or tract of real property into individual appraisal records under this section does not affect the application of generally accepted appraisal methods and techniques to the appraisal of real property associated with those appraisal records, including real property that is part of the same economic unit as real property contained in the same or another appraisal record."

Effective Date: January 1, 2022

Section 11. Amends Section 25.19(b), Tax Code

Notices of appraised value must include an explanation of the availability and purpose of an informal conference with the appraisal office before a hearing on a protest.

Effective Date: The section applies to a notice of appraised value for a tax year beginning on or after January 1, 2022.

Section 12. Adds Section 25.19(m) and (n), Tax Code

A corrected or amended notice of appraised value may be delivered for any reason before June 1 for business personal property and may be delivered after that time to include omitted property or correct a clerical error. As soon as practicable after delivering notices of appraised value, the chief appraiser shall post the notice on the appraisal district's Internet website, if the appraisal district maintains a website, as part of the appraisal record pertaining to the property.

Effective Date: The section applies to a notice of appraised value for a tax year beginning on or after January 1, 2022.

Section 13. Amends Section 31.11(h), Tax Code

This section does not apply to an overpayment of taxes received after a correction of a tax roll as a result of a judicial appeal under Chapter 42.

Effective Date: January 1, 2022

Section 14. Adds Section 41.01(c), (d), and (e), Tax Code

Appraisal review boards are required to adopt hearing procedures (by rule). Public hearings must be held first concerning the procedures. Not later than May 1 of each year, the ARB shall hold the hearing, make amendments to the proposed hearing procedures that are determined to be necessary, and by resolution finally adopt the hearing procedures, which must comply with the Comptroller's model procedures. The chairperson of the ARB is responsible for the administration of hearing procedures. Copies of the procedures must be distributed to the appraisal district board of directors, the taxpayer liaison officer, and the Comptroller not later than the 15th day after the date the board adopts the hearing procedures. The procedures must also be posted in a prominent place in each room in which the ARB conducts hearings and on the appraisal district's Internet website (if the district maintains a website).

Effective Date: Immediately or September 1, 2021

Section 15. Amends Section 41.44(d), Tax Code

The notice of protest form must include a place for a property owner to request that the protest be heard by a single-member panel.

Effective Date: January 1, 2022

Section 16. Adds Section 41.445, Tax Code: Informal Conference Before Hearing on Protest.

The appraisal office shall hold an informal conference with each property owner who files a notice of protest with the appraisal review board and requests an informal conference. An informal conference must be held before the hearing on the protest.

Effective Date: This section applies to protests for which notices of protest are filed on or after January 1, 2022.

Section 17. Amends Section 41.45(b-1), (d), (d-2), and (d-3) and adds (b-4) and (b-5), Tax Code

Single-member panels to conduct protest hearings are authorized if requested.

Effective Date: January 1, 2022

Section 18. Amends Section 41.461(a), Tax Code

The wording regarding the delivery of hearing procedures before a hearing on a protest is changed to conform to the requirement that they must be adopted by the ARB.

Effective Date: Immediately or September 1, 2021

Section 19. Amends Section 41.47(c) and adds (d-1), Tax Code

Orders determining protest must list separately the appraised value of the land and the improvement for real property protests.

In counties with populations of 120,000 or more, a property owner may submit a written request to require the chief appraiser to deliver by email the notice of issuance and the order determining protest, if there is no agreement in place under Section 1.085. A request under this subsection may be submitted only by the property owner whose property is subject to the protest, an attorney representing the property owner, or a tax agent designated by the property owner. A person may include in a single request more than one property owned by the same property owner or multiple properties owned by multiple property owners. A person may submit more than one request. The request may indicate that the chief appraiser must make the delivery to the property owner, an attorney representing the property owner, a designated tax agent, or a combination of those persons. A person must submit a request before the protest hearing relating to each property included in the request. The delivery of the order determining protest by email must be made not later than the 21st day after the date the ARB issues the order.

Effective Date: January 1, 2022

Section 20. Amends Section 41.66(a) and adds (q), Tax Code

The appraisal review board shall conduct hearings according to their adopted hearing procedures. A person who owns property in the district or the chief appraiser may file a complaint with the taxpayer liaison officer alleging that the ARB has adopted or is implementing hearing procedures that are not in compliance with the Comptroller's model procedures or is not complying with procedural requirements of law. The liaison officer shall investigate and report findings to the appraisal district directors. The directors shall direct the chairman of the ARB to take remedial action if they determine that the allegations are true. The board of directors may remove the chairperson of the ARB from the position if the board determines that the chairperson failed to take actions necessary to comply with the model hearing procedures.

Effective Date: Immediately or September 1, 2021

Section 21. Adds Section 41A.015, Tax Code: Limited Binding Arbitration to Compel Compliance with Certain Procedural Requirements Related to Protests

Property owners who have filed protests may file a request for binding arbitration to:

1. rescind ARB procedural rules that do not comply with model hearing procedures;
2. schedule a hearing as required by Section 41.45;
3. deliver information as required by Section 41.461;
4. allow the property owner to offer evidence, examine or cross-examine witnesses or parties, and present arguments are required by Section 41.66(b);
5. set a hearing or postpone a hearing that does not begin within 2 hours of the scheduled time as required by Section 41.66(i);
6. schedule hearings concerning multiple properties on the same day as requested according to Section 41.66(j); or
7. refrain from using or offering as evidence information requested by the property owner under Section 41.461 that was not delivered to the property owner at least 14 days before the hearing as required by Section 41.67(d).

Before a request for binding arbitration can be filed, two steps are required. First, the property owner must deliver written notice of the alleged procedural violation (listed above) to the ARB chairperson, the chief appraiser, and the taxpayer liaison officer by certified mail on or before the 5th business day after the day of the alleged non-compliance. Second, the ARB chairperson or the chief appraiser, as applicable, must fail to deliver a written statement on or before the 10th day after the delivery of the notice confirming that the ARB or chief appraiser will comply or cure a procedural violation.

Failure to comply with these provisions is not a ground for postponement of a protest hearing. The ARB may cure the alleged procedural violation that occurred during a hearing by rescinding the order determining protest and scheduling a new hearing.

A request for binding arbitration must be filed with the Comptroller not earlier than the 11th day and not later than the 30th day after the date the property owner delivers the notice of the procedural violation. The request must be in a form prescribed by the Comptroller, accompanied by an arbitration deposit of either $450 (if the property is a residence homestead valued at $500,000 or less) or $550 for other property. The Comptroller's form must require that the property owner provide a statement that the required written notice was delivered and the deposit was made; describe the alleged procedural violation and the failure to cure by the ARB or chief appraiser; describe the property; and provide other information reasonably necessary for the Comptroller to appoint an arbitrator.

A property owner may request a single arbitration under this section involving more than one property, more than one protest hearing, or an allegation of the failure by the ARB or chief appraiser to comply with more than one procedural requirement so long as the requirements for notice and cure (within 10 days) are met for each alleged failure. The arbitration deposit and arbitrator fees are computed as if a single property were the subject of the arbitration.

The Comptroller is required to appoint an eligible arbitrator from its registry (a lawyer who is not required to reside in the county where the property is located and agrees to be paid $400 for eligible residence homestead property owners or $500 for other property owners). The ARB, chief appraiser, and property owner are parties to the arbitration and may appear by counsel and other designated persons.

The arbitrator shall make an award and deliver an electronic copy to the property owner, the ARB chairperson, the chief appraiser, and the Comptroller. A determination of compliance or non-compliance with eligible procedures is required, along with a directive regarding compliance actions. The determination is final and enforceable according to Section 41A.09. [NOTE: There are no deadlines regarding arbitration proceedings and issuance of awards.]

If the arbitrator determines non-compliance with eligible procedural requirements, the property owner is entitled to a refund of the deposit (less $50 administrative fee for the Comptroller) and the appraisal district must pay the arbitrator's fee. Otherwise, the arbitrator is paid from the deposit. Special provisions are included for arbitrations involving more than one property or allegation of procedural violations.

An award does not affect the property owner's right to appeal the final determination of a protest under Chapter 42 or pursue any other legal or statutory remedy available to the property owner.

Effective Date: Immediately or September 1, 2021

Section 22. Amends Section 41A.10(a) and adds (c), Tax Code

For purposes of binding arbitration under this section, deferral of the collection of taxes for residence homestead owners who are age 65 or older or who are disabled is not considered a delinquency. The purpose of the amendment is to allow persons with deferrals to be eligible for this alternative dispute resolution concerning the value of property.

Effective Date: This section applies to a request for binding arbitration filed on or after January 1, 2022.

Section 23. Amends Section 42.015(a), Tax Code

A person leasing property who is contractually obligated to reimburse the property owner for taxes is entitled to appeal an ARB order related to a protest brought by the owner if the owner does not appeal.

Effective Date: This section applies to an appeal under Chapter 42 that is pending on the effective date of the bill (immediately or September 1, 2021).

Section 24. Amends Section 42.23(e), Tax Code

Courts are prohibited from entering an order, including a protective order under the Rules of Civil Procedure, that conflicts with Section 42.23(d). This section is the provision altering discovery rules in property tax cases, if a property owner makes a settlement offer, requests alternative dispute resolution, and designates a cause of action within 120 days.

Effective Date: This section applies to an appeal under Chapter 42 that is pending on the effective date of the bill (immediately or September 1, 2021).

Sections 25—33. Effective dates and implementing clauses.

The Comptroller of Public Accounts is required to implement a provision of this Act only if the Legislature appropriates money specifically for that purpose. If the Legislature does not appropriate money specifically for that purpose, the Comptroller may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

Senate Bill 63 (Sen. Jane Nelson—Flower Mound)

Companion House Bill 3509 (Rep. Morgan Meyer—Dallas)

Summary of Substitute Bill for Senate Bill 63

Relating to the system for appraising property for ad valorem tax purposes

Section 1. Amends Section 5.03 by adding (d), Tax Code

The Comptroller may provide notice to require that a document, payment, notice, report, or other item be received and submitted electronically. Rules may be adopted to specify the format of an item electronically submitted to or sent by the Comptroller.

Effective Date: September 1, 2021

Section 2. Amends Section 5.041(b) and (e-1) and adds (i), Tax Code

The Comptroller is authorized to provide distance training for appraisal review board members. Rules may be adopted to implement this provision, including rules establishing criteria for course availability and for demonstrating course completion.

Effective Date: September 1, 2021

Section 3. Amends Section 6.035 (a-1), Tax Code

For counties with populations of 120,000 or more, a member of the appraisal district board of directors may not serve more than five two-year terms. A person may not serve if he/she has engaged in appraising property for compensation in the preceding three years or has been an employee of the appraisal district in the preceding three years.

Effective Date: Service on the board of directors before January 1, 2022, does not count for purposes of determining whether a person is ineligible to serve on the board.

Section 4. Amends Section 6.054, Tax Code

A person may not be employed by an appraisal district if he/she has served as a member of the appraisal review board at any time during the preceding two years.

Effective Date: This change only applies to a former member of an appraisal review board first employed by an appraisal district on or after September 1, 2021.

Section 5. Adds Section 6.41(f), Tax Code

Not later than the 90th day after the date the board of directors, the local administrative district judge, or the judge's designee that appoints appraisal review board members learns of a potential ground for removal, official action must be taken to either remove the appraisal review board member or make a finding that removal is not warranted.

Effective Date: This section applies only to a potential ground for removal that is found on or after September 1, 2021.

Section 6. Amends Section 11.27(a) and adds (a-1), Tax Code

A person is entitled to an exemption from taxation of the appraised value of a solar or wind-powered energy device owned by the person that is installed or constructed on real property and is primarily for production and distribution of energy for on-site use regardless of whether the person owns the real property on which the device is installed or constructed. The exemption applies to the value of the real property.

Effective Date: September 1, 2021

Section 7. Adds Section 11.45(a), (b), (d), and (e), Tax Code

Action must be taken on exemption applications "as soon as practicable but not later than the 90th day after the later of the date the applicant first qualifies for the exemption or the date the applicant provides to the chief appraiser the information necessary for the chief appraiser to determine the applicant's right to the exemption." If the chief appraiser requires additional information from an applicant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the applicant specifying the additional information that must be provided. The applicant must provide the information within 30 days, or the application may be denied. If an application is modified or denied, the notice must state and fully explain each reason for the action.

Effective Date: This section only applies to an application filed on or after September 1, 2021.

Section 8. Amends Section 23.44(a), (b), and (d), Tax Code

Agricultural land applications must be determined as soon as practicable but not later than the 90th day after the later of the date the claimant is first eligible for the designation or the date the claimant provides requested information. If the chief appraiser requires additional information from a claimant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the claimant specifying the additional information that must be provided. The claimant must provide the information within 30 days, or the application may be denied. If an application is denied, the notice must state and fully explain each reason for the action.

Effective Date: This section only applies to an application filed on or after September 1, 2021.

Section 9. Amends Section 23.57(a), (b), and (d), Tax Code

Open-space land applications must be determined as soon as practicable but not later than the 90th day after the later of the date the applicant's land is first eligible for the designation or the date the applicant provides requested information. If the chief appraiser requires additional information from an applicant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the applicant specifying the additional information that must be provided. The applicant must provide the information within 30 days, or the application may be denied. If an application is denied, the notice must state and fully explain each reason for the action.

Effective Date: This section only applies to an application filed on or after September 1, 2021.

Section 10. Amends Section 23.79(a), (b), and (d), Tax Code

Timber-land applications must be determined as soon as practicable but not later than the 90th day after the later of the date the applicant's land is first eligible for the designation or the date the applicant provides requested information. If the chief appraiser requires additional information from an applicant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the applicant specifying the additional information that must be provided. The applicant must provide the information within 30 days, or the application may be denied. If an application is denied, the notice must state and fully explain each reason for the action.

Effective Date: This section only applies to an application filed on or after September 1, 2021.

Section 11. Amends Section 23.85(a), (b), and (d), Tax Code

Recreational-use applications must be determined as soon as practicable but not later than the 90th day after the later of the date the claimant is first eligible for the designation or the date the claimant provides requested information. If the chief appraiser requires additional information from a claimant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the claimant specifying the additional information that must be provided. The applicant must provide the information within 30 days, or the application may be denied. If an application is denied, the notice must state and fully explain each reason for the action.

Effective Date: This section only applies to an application filed on or after September 1, 2021.

Section 12. Amends Section 23.95(a), (b), and (d), Tax Code

Public airport property applications must be determined as soon as practicable but not later than the 90th day after the later of the date the claimant is first eligible for the designation or the date the claimant provides requested information. If the chief appraiser requires additional information from a claimant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the claimant specifying the additional information that must be provided. The applicant must provide the information within 30 days, or the application may be denied. If an application is denied, the notice must state and fully explain each reason for the action.

Effective Date: This section only applies to an application filed on or after September 1, 2021.

Section 13. Amends Section 23.9805(a), (b), and (d), Tax Code

Restricted-use timber-land applications must be determined as soon as practicable but not later than the 90th day after the later of the date the applicant's land is first eligible for the designation or the date the applicant provides requested information. If the chief appraiser requires additional information from an applicant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the applicant specifying the additional information that must be provided. The applicant must provide the information within 30 days, or the application may be denied. If an application is denied, the notice must state and fully explain each reason for the action.

Effective Date: This section only applies to an application filed on or after September 1, 2021.

Section 14. Amends Section 25.193(b), Tax Code

A property owner may elect to receive notices by email under Section 1.086 for any property, not just property described in that section.

Effective Date: September 1, 2021

Section 15. Amends Section 25.25(e), Tax Code

For motions to correct under this section, an appraisal review board shall schedule the hearing to be held as soon as practicable but not later than the 90th day after the date the appraisal review board approves the appraisal records under Section 41.12. The request for hearing must be made on or after January 1 but before September 1. If a request for hearing is made on or after September 1 (but before January 1 of the following tax year), the appraisal review board shall schedule the hearing to be held as soon as practicable but not later than the 90th day after the date the request for the hearing is made.

Effective Date: This section only applies to a motion to correct that is filed on or after September 1, 2021.

Section 16. Amends Section 41.44(d), Tax Code

If a notice of protest form includes boxes that the property owner is required to select the reason for the protest, the form must include a single box for both excessive value and unequal appraisal.

Effective Date: September 1, 2021

Section 17. Amends Section 41.45(a), Tax Code

The appraisal review board shall schedule a protest hearing to be held as soon as practicable but not later than the 90th day after the date the board approves the appraisal records under Section 41.12.

Effective Date: This section applies only to a protest for which the notice of protest was filed on or after September 1, 2021.

Section 18. Adds Section 41.46(f), Tax Code

This subsection applies only to counties with populations of 120,000 or more. In addition to the notice required by (a), on written request of the protesting property owner, the appraisal review board shall deliver an electronic reminder stating the date, time, and place of the protest hearing that is the subject of the notice. The property owner may request that delivery be made by email or text message. The property owner must provide in the request the email address or telephone number to which the reminder should be sent. The appraisal review board shall deliver the

electronic reminder to the property owner not earlier than the 7th day after the date the board delivers the notice required by (a) and not later than the day before the hearing date. Failure to deliver the electronic reminder is not considered a failure to provide or deliver notice under Section 41.411.

Effective Date: This section applies only to a protest for which the notice of protest was filed on or after September 1, 2021.

Section 19. Adds Section 41.67(e), Tax Code

The chief appraiser may not offer evidence or argument at a protest hearing in support of a reason for modifying or denying an application other than a reason stated in the notice delivered to the property owner, unless the chief appraiser provides written notice of an additional reason not later than 14 days before the hearing and establishes that the additional reason was not known to the chief appraiser at the time the first notice was delivered.

Effective Date: This section applies only to a protest for which the notice of protest was filed on or after September 1, 2021.

Sections 20—27. Effective dates and implementing clauses.

Tax Bills passed by 87th Legislature-2nd Special Session/Effective dates

Current as of: 09/08/2021 3:44 PM

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Tax Bills passed by 87th Legislature-3rd Special Session/Effective dates

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Senate Bill	Sponsor (s)	Bill Caption	Sent to Governor/ Signed by Governor	Earliest eff. date
SB 1	Bettencourt, Paul(R) Meyer, Morgan(R)	Relating to a temporary reduction in the maximum compressed tax rate of a school district and the form of the ballot proposition to be used in an election to approve a tax rate adopted.	10-19-21 G Sent to the Governor	10-25-21 Effective on adoption of SJR 2 exception Section 4 which takes effective immediately
SJR 2	Bettencourt, Paul(R) Button, Angie Chen(R)	Proposing a constitutional amendment increasing the amount of the residence homestead exemption from ad valorem taxation for public school purposes.		5-7-22 Election date